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FOR THE PRESIDENT FROM AMBASSADOR TAUBMAN

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TAGS: PREL PHUM SOCI KDEM ECON PINR IZ RO

SUBJECT: YOUR JULY 27 MEETING WITH ROMANIAN PRESIDENT

BASESCU

Classified By: Classified by Ambassador Nicholas Taubman, Reasons 1.4 (b) and (d)

¶1. (C) Summary. President Traian Basescu's July 27-28 trip to Washington, including his meeting with you at the White House, offers an opportunity to reaffirm U.S. appreciation for Romania's contributions in Iraq, Afghanistan, and more broadly the Global War on Terror. Basescu has anchored his presidency on a strong strategic partnership with the United States, and he will seek strong public statements while in Washington recognizing this commitment. Privately, he will seek reassurances that the U.S. values Romania as an ally and takes seriously Romania's regional concerns, including in the broader Black Sea basin and the Western Balkans. Such reaffirmations will also help ensure Romania maintains its outward-looking Euro-Atlantic foreign policy as it prepares to enter the EU. Basescu will characterize recent calls by Prime Minister Calin Popescu-Tariceanu for a withdrawal of Romanian troops from Iraq as irresponsible and motivated singularly by domestic politics. He will reiterate Romania's commitment to Iraq, although the new domestic debate in Romania on the issue may dampen enthusiasm for deepening Romanian involvement there. Basescu will seek inclusion of Romania in the Visa Waiver Program. The failure of Romania to resolve pending international adoption cases remains a dark spot in our otherwise sterling relationship. End Summary.

¶2. (C) When you last met President Traian Basescu in March 2005, he was still basking in the light of his December 2004 surprise electoral victory. Nearly two years later, he remains by far the most popular political figure in Romania, with approval ratings approaching 60 percent. Charismatic and direct, he has used his position domestically to press for reform and progress in the fight against high-level corruption. He has also remained a stalwart ally of the United States, repeatedly reaffirming his commitment to maintain Romanian troops in Iraq and Afghanistan "as long as they are needed."

¶3. (C) In September, the European Commission is slated to release a report giving Romania a final green light to join the EU on January 1, 2007. EU accession culminates over 16 years of Romanian efforts to integrate fully with the West. Romania's strongly transatlantic foreign policy has been criticized by some EU partners, who have at times accused Romania of becoming a U.S. "Trojan Horse." In addition, some critics within Romania, including in government, have increasingly called for Basescu to reorient his policies and take his cues from Brussels and EU capitals. This meeting will be an opportunity for you to emphasize that EU membership and a strong strategic partnership are not mutually exclusive. It will also be an opportunity to

reinforce those policies undertaken by Basescu in which U.S. and Romanian interests coincide.

Basescu and Prime Minister Clash over Iraq

¶4. (C) Romanian domestic politics over the past year have focused on the increasingly hostile relationship between Basescu and Prime Minister Calin Popescu-Tariceanu, whom Basescu cannot dismiss under the Romanian constitution. The two no longer speak, and in late June their relationship hit a new low point when the PM -- flanked by the Defense Minister -- announced unexpectedly that he and his party would henceforth press for a complete withdrawal of Romanian troops from Iraq. The move was clearly designed as a political attack on Basescu, intended to tap into latent public opposition to the troop contribution. As Commander in Chief and with primary authority over security and foreign policy, Basescu reaffirmed Romania's commitment to remain in Iraq and characterized the PM's proposal as tantamount to treason. Basescu can be expected to express concern in Washington, if not apologize, for the PM's proposal, which was made without consultation with the U.S. or other allies. You should underscore strong appreciation for Basescu's leadership on the issue as well as his commitment to consult with us before making any major decisions with regard to Romania's Iraq contribution, including a recent decision to withdraw roughly 150 of Romania's troops (out of a total of some 680) whose mission was complete and who were serving under Italian command. More broadly, you might also express appreciation for Romania's commitment to helping the U.S. and other allies bring stability and democracy to Iraq, which remains important for Europe as well as for the U.S.

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U.S. Access to Romanian Military Facilities

¶5. (C) The Romanian parliament ratified in July an historic agreement that will allow U.S. troops to deploy to Romanian military facilities for training and other purposes, part of the larger U.S. Global Defense Posture Review. The agreement was signed by Secretary Rice in Bucharest in December 2005. The new agreement remains strongly popular in Romania, although Basescu and the Foreign Ministry have taken some domestic political heat regarding what is wrongly perceived as a failure to achieve the best terms possible. You should thank Basescu for his leadership in offering the U.S. the opportunity to establish the joint military facilities in Romania and assure him that as close partners we will consult about our activities there.

Activism On the Black Sea Region, Balkans, Energy

¶6. (C) Basescu has undertaken an activist foreign policy, particularly in areas nearby and in which Romania has a clear strategic interest. At the top of his list is the wider Black Sea basin, where Basescu has sought to promote greater regional security and cooperation. Basescu strongly advocates an increased U.S., NATO and EU role in the Black Sea region as a way of linking Europe proper to unstable regions further east. He considers frozen conflicts in the Caucasus and in neighboring Moldova/Transnistria as a *prima facie* reason for a stabilizing Western role in the region. He has also cited security challenges along the Black Sea littoral, including trafficking in narcotics and persons. Basescu viewed Deputy NSA Crouch's participation at a Black Sea forum hosted by Romania in June as evidence not only of U.S. interest in his initiatives for the region, but more fundamentally as appreciation for our broader bilateral relationship and the priority he is placing on Black Sea security. You should applaud Basescu's vision in highlighting the strategic importance of this region and assure him that we will work very closely in pursuing our common agenda in the Black Sea

region.

¶7. (C) A top concern for Romania is also energy security. Basescu is worried about over-reliance on gas from Russia, a problem faced not just by Romania but also by other countries in eastern and central Europe. He may seek your support for an alternate pipeline that brings gas into Europe from the Caspian basin gas or the Persian Gulf. Romania recently extended its import relationship with Gazprom through 2032. Separately, you should acknowledge Romania's focus on developments in neighboring Ukraine, and encourage Basescu, despite the recent political setback in Kiev and Romanian-Ukrainian border tensions, to support Ukraine's NATO aspirations and its efforts to move closer to Europe. Basescu has expressed concerns about potential instability in Serbia in light of anticipated independence for Kosovo and the recent referendum in Montenegro. However, he has committed to support U.S. and UN efforts on Kosovo, and you may wish to thank him for using his access to Serbian leaders in support of our policies. Basescu is scheduled to meet with Serbian President Tadic in Bucharest shortly before his trip to Washington and may wish to provide you a readout of that meeting.

Encouraging Economic Growth, Commercial ties

¶8. (C) The Romanian economy has grown rapidly, enjoying four to eight percent growth for nearly six years now, and there have been encouraging signs in recent months for U.S. investment. Construction has resumed on the nearly 3 billion USD Bechtel highway project through Transylvania. Both Ford and General Motors are considering a manufacturing facility in Romania. Microsoft, Oracle, Smithfield Foods and Hewlett Packard have all made recent substantial investments in Romania. You may wish to commend Basescu on this progress, while still pressing for further reforms that will make Romania more attractive to investors.

The Sore Thumb: Intercountry Adoptions

¶9. (C) The continuing failure of Romania to resolve pending adoption cases filed by U.S. parents before Romania imposed a ban on inter-country adoptions is a serious concern. During his visit to Washington in 2005 and in a December 2006

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meeting with Secretary Rice, Basescu held out hope to you that a solution would be found soon. His government has failed to follow through, partially due to pressure from the European Commission to maintain the ban and despite calls from the European Parliament and the U.S. Congress for action to allow intercountry adoptions to proceed. Despite assertions by Romanian officials that they have developed a model system for orphans and abandoned children, the Embassy and NGOs have observed firsthand signs of malnutrition and widespread neglect. While you should acknowledge that close friends might differ, you should tell Basescu that legislators and other political figures in Europe and the U.S. agree that Romania's approach to international adoptions should be revised. You might also point out difficulties in moving forward on a roadmap for a Visa Waiver Program for Romania as long as the adoption issue remains unresolved, given strong congressional interest in the issue.

Nazi War Criminals, Presidential Awards

¶10. (C) Two final points of contention involve the failure of Romania to accept the return of Nazi war criminals stripped of their U.S. citizenship; as well as failure to strip anti-Semitic politician Corneliu Vadim Tudor of a presidential medal awarded by Basescu's predecessor. You should urge progress on both these issues as components of Romania's broader recognition of its true history during the

Holocaust.

¶11. (C) Despite these few but notable problems, Basescu is an engaging interlocutor and a good friend of the U.S. Your meeting and lunch will help strengthen our bilateral relationship even more and recognize Romania's many contributions to our common goals.

TAUBMAN